Form 3160-3 (June 2015)		FORM APPRO OMB No. 1004- Expires: January 3	0137
UNITED STATES			1, 2010
DEPARTMENT OF THE INT		5. Lease Serial No.	
BUREAU OF LAND MANAG			<u></u>
APPLICATION FOR PERMIT TO DR	LL OR REENTER	6. If Indian, Allotee or Tribe	e Name
		7. If Unit or CA Agreement	Nama and Na
1a. Type of work: DRILL REE	NTER	7. If Unit of CA Agreement.	, Name and No.
1b. Type of Well: Oil Well Gas Well Other	r	8. Lease Name and Well No.	
1c. Type of Completion: Hydraulic Fracturing Sing	le Zone Multiple Zone		
2. Name of Operator		9. API Well No. 30-01	5-54038
3a. Address 31	o. Phone No. (include area code)	10. Field and Pool, or Explo	oratory
4. Location of Well (Report location clearly and in accordance with	h any State requirements.*)	11. Sec., T. R. M. or Blk. an	d Survey or Area
At surface			
At proposed prod. zone			
14. Distance in miles and direction from nearest town or post office	*	12. County or Parish	13. State
	6. No of acres in lease 17. Spaci	ing Unit dedicated to this well	
location to nearest property or lease line, ft.			
(Also to nearest drig. unit line, if any)			
18. Distance from proposed location* 1 to nearest well, drilling, completed, applied for, on this lease, ft. 1	9. Proposed Depth 20. BLM	/BIA Bond No. in file	
21. Elevations (Show whether DF, KDB, RT, GL, etc.)	2. Approximate date work will start*	23. Estimated duration	
	24. Attachments		
The following, completed in accordance with the requirements of O (as applicable)	nshore Oil and Gas Order No. 1, and the I	Hydraulic Fracturing rule per	43 CFR 3162.3-3
1. Well plat certified by a registered surveyor.		ns unless covered by an existin	g bond on file (see
 A Drilling Plan. A Surface Use Plan (if the location is on National Forest System 1 	Item 20 above).Lands, the5. Operator certification.		
SUPO must be filed with the appropriate Forest Service Office).		rmation and/or plans as may be	requested by the
25. Signature	Name (Printed/Typed)	Date	
Title			
Approved by (Signature)	Name (Printed/Typed)	Date	
Title	Office	1	
Application approval does not warrant or certify that the applicant h applicant to conduct operations thereon. Conditions of approval, if any, are attached.	olds legal or equitable title to those rights	in the subject lease which wo	uld entitle the
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, mak	e it a crime for any person knowingly and	I willfully to make to any depa	artment or agency
of the United States any false, fictitious or fraudulent statements or			



*(Instructions on page 2)

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(Continued on page 2)

DISTRICT I 625 N. FRENCH DR., HOBBS, NM 86240 hone: (575) 393-6161 Fax: (575) 393-0702 DISTRICT II 11 S. FIRST ST., ARTESIA, NM 86210 hone: (575) 748-1283 Fax: (575) 748-9720 DISTRICT III 000 RIO BRAZOS RD., AZTEC, NM 874 Phone: (505) 334-6178 Fax: (505) 334-617 DISTRICT IV	Energy, Minerals & 1 OIL CONSEI 1220 SOU' Santa Fe,	ate of New Mexico Natural Resources De RVATION DIVIS FH ST. FRANCIS DR. New Mexico 87505	SION	Revised Au ubmit one copy to Distri	orm C-102 igust 1, 2011 o appropriate ct Office ED REPORT
220 S. ST. FRANCIS DR., SANTA FE, NM 875 Phone: (505) 476-3460 Fax: (505) 476-34				L AMEND	ED REPORT
API Number	Pool Code	ND ACREAGE DEDICATI	Pool Name		
30-015-54038	[53805]	SAND DUNES;BON	E SPRING, SOU	UTH	
Property Code		Property Name		Well Num	
325417 OGRID No.	TODD 36-	25 STATE FED COM Operator Name		525 Elevatio	
6137	DEVON ENERGY I	PRODUCTION COMPANY	, L.P.	3505	
	S	urface Location			
		eet from the North/South line	Feet from the	East/West line	County
N 36 23	3-S 31-E	480 SOUTH	1719	WEST	EDDY
	Bottom Hole Locat:	ion If Different From Sur	face		
		eet from the North/South line	Feet from the	East/West line	County
B 25 23	3—Ѕ 31—Е	20 NORTH	2310	EAST	EDDY
	BE ASSIGNED TO THIS CO	MPLETION UNTIL ALL INTER HAS BEEN APPROVED BY 7		EN CONSOLIDA	ATED
IODD 36-25 STATE FED COM 525H EL: 3505.4' LAT:32.254988 LON:103.734493 N:457014.18 E:726456.81 <i>FIRST TAKE POINT</i> 100' FSL 2310' FEL SEC. 36 LAT:32.253943 LON:103.730452 N:456641.04 E:727708.12 LAST TAKE POINT 100' FNL 2310' FEL SEC. 25 LAT:32.282412 LON:103.730442 N:466997.72 E:727652.93 BOTTOM OF HOLE LAT:32.282632 LON:103.730442 N:467077.72 E:727652.51	N:467032.69 E:724685.21 N 89'42'42" E N:4670 E:7273 Z 2637.47' Z 0 0 N:464442.13 0 0 E:724699.35 T23S Z 0 0 X 0 0 <	$ \begin{array}{c} 22.65 \\ N & 89'41'40" \\ 2639.76' \\ \hline \\ \\ \\ \\ \\ \\ \\ \\ \\ \\ \\ \\ \\ \\ \\ \\ \\ \\$	I hereby or herein is true and my knowledge and organization eith or unleased minu- including the pri- or has a right to location pursuan owner of such m or to a voluntar, compulsory pooli by the division. Signature JENNY HA Printed Name JENNY HA E-mail Address SURVEYOF I hereby or shown on this pu- notes of actual si under my superv true and correct 11 	Da ARMS ARMS@DVN A CERTIFICAT ertify that the well law was plotted fro sourceys made by n ission, and that th to the best of m. /08/2021 te of Survey al of Professional AMA ISA AL SUR	promation e best of this interest e location this th an interest, at or a e entered 7-2021 te

Intent X As Drilled		
API #		
Operator Name:	Property Name:	Well Number

Kick Off Point (KOP)

UL	Section 36	Township 23S	Range 31E	Lot	Feet 43 FSL	From N/S	Feet 2309 FEL	From E/W	County EDDY
Latitu	de				Longitude				NAD
32.2	5368966				-103.73053	156			83

First Take Point (FTP)

UL	Section	Township	Range	Lot	Feet	From N/S	Feet	From E/W	County
Latitu	de				Longitude				NAD

Last Take Point (LTP)

UL	Section	Township	Range	Lot	Feet	From N/S	Feet	From E/W	County
Latitu	de				Longituc	le			NAD

Is this well the defining well for the Horizontal Spacing Unit?	Ν	1
---	---	---

Is this well an infill well?

If infill is yes please provide API if available, Operator Name and well number for Defining well for Horizontal Spacing Unit.

API #		
Operator Name:	Property Name:	Well Number
	·	

KZ 06/29/2018

	Er	State nergy, Minerals ar	e of New Mex nd Natural Res		nt	Subn Via I	nit Electronically E-permitting
		1220 S	nservation Di outh St. Fran ta Fe, NM 87:	cis Dr.			
	N	ATURAL GA	AS MANA(GEMENT PI	LAN		
This Natural Gas Manag	gement Plan mu	ust be submitted wi	th each Applicat	ion for Permit to D	orill (APD)	for a new or	recompleted well.
			<u>1 – Plan De</u> fective May 25,				
I. Operator: DEVON EN	ERGY PRODUCT	ION COMPANY, LP	OGRID:613	7	D	ate: <u>11</u> /	17 / 2021
II. Type: 🛛 Original	Amendment	due to 🗆 19.15.27.	9.D(6)(a) NMA	C 🗆 19.15.27.9.D(6)(b) NMA(C□Other.	
If Other, please describe	::						
III. Well(s): Provide the be recompleted from a s					vells propos	ed to be dri	lled or proposed to
Well Name	API	ULSTR	Footages	Anticipated Oil BBL/D	Anticipat Gas MCF		Anticipated roduced Water BBL/D
See attachment.							
IV. Central Delivery P	oint Name: _S	ee attachment			[See 19.15.2	7.9(D)(1) NMAC]
V. Anticipated Schedul proposed to be recomple					ell or set of	wells propo	osed to be drilled or
Well Name	API	Spud Date	TD Reached Date	Completion Commencement		itial Flow ack Date	First Production Date
See attachment							
VI. Separation Equipn VII. Operational Prac				-			
Subsection A through F					- 1678-1678 - 6678 - 6678 -		
VIII. Best Managemer during active and planne			e description of	'Operator's best m	anagement	practices to	o minimize venting
							1

NATURAL GAS MANAGEMENT PLAN Section 1 - Plan Description

III. Well(s): Provide the following information for each new or recompleted well or set of wells proposed to be drilled or proposed to be recompleted from a single well pad or connected to a central delivery point.

Well Name	Central Delivery Point Name:	API	ULSTR		FOOT	AGES			Anticipated Oil BBL/D	MCF/D	Anticipated Produce Water BBL/D
Todd 36-25 State Fed Corn 521H	Todd 36 CTB 1		36-23S-31E	425	FWL	330	FSL	AVLN B	(+/-)3270mcf	d/(+/-)1344bopd	/(+/-)2353bwpd
Todd 36-25 State Fed Com 522H	Todd 36 CTB 1		36-235-31E	455	FWL	330	FSL	AVLN B	{+/-)3270mcf	d/(+/-)1344bopd	/(+/-)2353bwpd
Todd 36-25 State Fed Com 523H	Todd 36 CTB 1		36-235-31E	1659	FWL	480	FSL	AVLN B	(+/-)3270mcf	d/(+/-)1344bopd	/(+/-)2353bwpd
Todd 36-25 State Fed Com 524H	Todd 36 CTB 1		36-235-31E	1689	FWL	480	FSL	AVLN B	(+/-)3270mcf	d/(+/-)1344bopd	/(+/-)2353bwpd
Fodd 36-25 State Fed Com 525H	Todd 36 CTB 1		36-235-31E	1719	FWL	480	FSL	AVLN B	{+/-}3270mcf	d/(+/-)1344bopd	/(+/-)2353bwpd
Todd 36-25 State Fed Com 526H	Todd 36 CT8 1		36-235-31E	945	FEL	330	FSL	AVLN B	(+/-)3270mcf	d/(+/-)1344bopd	/(+/-)2353bwpd
Fodd 36-25 State Fed Com 527H	Todd 36 CTB 1		36-235-31E	915	FEL	330	FSL	AVLN B	(+/-)3270mcf	d/(+/-)1344bopd	/(+/-)2353bwpd
Fodd 36-25 State Fed Com 528H	Todd 36 CTB 1		36-235-31E	885	FEL	330	FSL	AVIN 8	(+/-)3270mcf	d/(+/-)1344bopd	/(+/-)2353bwpd

				Completion		First
			TD Reached	Commencem	Initial Flow	Production
Well Name	API	Spud Date	Date	ent Date	back Date	Date
Todd 36-25 State Fed Com 521H		1/10/2024	2/9/2024	6/8/2024	6/8/2024	6/8/2024
Todd 36-25 State Fed Com 522H		1/10/2024	2/9/2024	6/8/2024	6/8/2024	6/8/2024
Todd 36-25 State Fed Com 523H		1/10/2024	2/9/2024	6/8/2024	6/8/2024	6/8/2024
Todd 36-25 State Fed Com 524H		1/10/2024	2/9/2024	6/8/2024	6/8/2024	6/8/2024
Todd 36-25 State Fed Com 525H		1/10/2024	2/9/2024	6/8/2024	6/8/2024	6/8/2024
Todd 36-25 State Fed Com 526H		1/10/2024	2/9/2024	6/8/2024	6/8/2024	6/8/2024
Todd 36-25 State Fed Com 527H		1/10/2024	2/9/2024	6/8/2024	6/8/2024	6/8/2024
Todd 36-25 State Fed Com 528H		1/10/2024	2/9/2024	6/8/2024	6/8/2024	6/8/2024

*dates above are subject to change

Section 2 – Enhanced Plan EFFECTIVE APRIL 1, 2022

Beginning April 1, 2022, an operator that is not in compliance with its statewide natural gas capture requirement for the applicable reporting area must complete this section.

Operator certifies that it is not required to complete this section because Operator is in compliance with its statewide natural gas capture requirement for the applicable reporting area.

IX. Anticipated Natural Gas Production:

Well	API	Anticipated Average Natural Gas Rate MCF/D	Anticipated Volume of Natural Gas for the First Year MCF
	_		

X. Natural Gas Gathering System (NGGS):

Operator	System	ULSTR of Tie-in	Anticipated Gathering Start Date	Available Maximum Daily Capacity of System Segment Tie-in

XI. Map. \Box Attach an accurate and legible map depicting the location of the well(s), the anticipated pipeline route(s) connecting the production operations to the existing or planned interconnect of the natural gas gathering system(s), and the maximum daily capacity of the segment or portion of the natural gas gathering system(s) to which the well(s) will be connected.

XII. Line Capacity. The natural gas gathering system \Box will \Box will not have capacity to gather 100% of the anticipated natural gas production volume from the well prior to the date of first production.

XIII. Line Pressure. Operator \Box does \Box does not anticipate that its existing well(s) connected to the same segment, or portion, of the natural gas gathering system(s) described above will continue to meet anticipated increases in line pressure caused by the new well(s).

Attach Operator's plan to manage production in response to the increased line pressure.

XIV. Confidentiality: \Box Operator asserts confidentiality pursuant to Section 71-2-8 NMSA 1978 for the information provided in Section 2 as provided in Paragraph (2) of Subsection D of 19.15.27.9 NMAC, and attaches a full description of the specific information for which confidentiality is asserted and the basis for such assertion.

<u>Section 3 - Certifications</u> <u>Effective May 25, 2021</u>

Operator certifies that, after reasonable inquiry and based on the available information at the time of submittal:

 \square Operator will be able to connect the well(s) to a natural gas gathering system in the general area with sufficient capacity to transport one hundred percent of the anticipated volume of natural gas produced from the well(s) commencing on the date of first production, taking into account the current and anticipated volumes of produced natural gas from other wells connected to the pipeline gathering system; or

 \Box Operator will not be able to connect to a natural gas gathering system in the general area with sufficient capacity to transport one hundred percent of the anticipated volume of natural gas produced from the well(s) commencing on the date of first production, taking into account the current and anticipated volumes of produced natural gas from other wells connected to the pipeline gathering system. *If Operator checks this box, Operator will select one of the following:*

Well Shut-In.
Operator will shut-in and not produce the well until it submits the certification required by Paragraph (4) of Subsection D of 19.15.27.9 NMAC; or

Venting and Flaring Plan. \Box Operator has attached a venting and flaring plan that evaluates and selects one or more of the potential alternative beneficial uses for the natural gas until a natural gas gathering system is available, including:

- (a) power generation on lease;
- (b) power generation for grid;
- (c) compression on lease;
- (d) liquids removal on lease;
- (e) reinjection for underground storage;
- (f) reinjection for temporary storage;
- (g) reinjection for enhanced oil recovery;
- (h) fuel cell production; and
- (i) other alternative beneficial uses approved by the division.

Section 4 - Notices

1. If, at any time after Operator submits this Natural Gas Management Plan and before the well is spud:

(a) Operator becomes aware that the natural gas gathering system it planned to connect the well(s) to has become unavailable or will not have capacity to transport one hundred percent of the production from the well(s), no later than 20 days after becoming aware of such information, Operator shall submit for OCD's approval a new or revised venting and flaring plan containing the information specified in Paragraph (5) of Subsection D of 19.15.27.9 NMAC; or

(b) Operator becomes aware that it has, cumulatively for the year, become out of compliance with its baseline natural gas capture rate or natural gas capture requirement, no later than 20 days after becoming aware of such information, Operator shall submit for OCD's approval a new or revised Natural Gas Management Plan for each well it plans to spud during the next 90 days containing the information specified in Paragraph (2) of Subsection D of 19.15.27.9 NMAC, and shall file an update for each Natural Gas Management Plan until Operator is back in compliance with its baseline natural gas capture rate or natural gas capture requirement.

2. OCD may deny or conditionally approve an APD if Operator does not make a certification, fails to submit an adequate venting and flaring plan which includes alternative beneficial uses for the anticipated volume of natural gas produced, or if OCD determines that Operator will not have adequate natural gas takeaway capacity at the time a well will be spud.

I certify that, after reasonable inquiry, the statements in and attached to this Natural Gas Management Plan are true and correct to the best of my knowledge and acknowledge that a false statement may be subject to civil and criminal penalties under the Oil and Gas Act.

Signature:	J.
Printed Name: Lindsey N. Miles	
Title: Land Manager	
E-mail Address:	
Date:	
Phone:	
OIL CONSERVATION DIVISION (Only applicable when submitted as a standalone form)	
Approved By:	
Title:	
Approval Date:	
Conditions of Approval:	



VI. Separation Equipment

Devon Energy Production Company, L.P. utilizes a "stage separation" process in which oil and gas separation is carried out through a series of separators operating at successively reduced pressures. Hydrocarbon liquids are produced into a high-pressure inlet separator, then carried through one or more lower pressure separation vessels before entering the storage tanks. The purpose of this separation process is to attain maximum recovery of liquid hydrocarbons from the fluids and allow maximum capture of produced gas into the sales pipeline. Devon utilizes a series of Low-Pressure Compression units to capture gas off the staged separation and send it to the sales pipeline. This process minimizes the amount of flash gas that enters the end-stage storage tanks that is subsequently vented or flared.



VII. Operational Practices

Devon Energy Production Company, L. P. will employ best management practices and control technologies to maximize the recovery and minimize waste of natural gas through venting and flaring.

- During drilling operations, Devon will utilize flares and/or combustors to capture and control natural gas, where technically feasible. If flaring is deemed technically in-feasible, Devon will employ best management practices to minimize or reduce venting to the extent possible.
- During completions operations, Devon will utilize Green Completion methods to capture gas
 produced during well completions that is otherwise vented or flared. If capture is technically
 in-feasible, flares and/or combustors will be used to capture and control flow back fluids
 entering into frac tanks during initial flowback. Upon indication of first measurable hydrocarbon
 volumes, Devon will turn operations to onsite separation vessels and flow to the gathering
 pipeline.
- During production operations, Devon will take every practical effort to minimize waste of natural gas through venting and flaring by:
 - Designing and constructing facilities in a manner consistent to achieve maximum capture and control of hydrocarbon liquids & produced gas
 - Utilizing a closed-loop capture system to collect and route produced gas to sales line via low pressure compression, or to a flare/combustor
 - Flaring in lieu of venting, where technically feasible
 - Utilizing auto-ignitors or continuous pilots, with thermocouples connected to Scada, to quickly detect and resolve issues related to malfunctioning flares/combustors
 - Employ the use of automatic tank gauging to minimize storage tank venting during loading events
 - Installing air-driven or electric-driven pneumatics & combustion engines, where technically feasible to minimize venting to the atmosphere
 - Confirm equipment is properly maintained and repaired through a preventative maintenance and repair program to ensure equipment meets all manufacturer specifications
 - Conduct and document AVO inspections on the frequency set forth in Part 27 to detect and repair any onsite leaks as quickly and efficiently as is feasible



VIII. Best Management Practices during Maintenance

Devon Energy Production Company, L.P. will utilize best management practices to minimize venting during active and planned maintenance activities. Devon is operating under guidance that production facilities permitted under NOI permits have no provisions to allow high pressure flaring and high pressure flaring is only allowed in disruption scenarios so long as the duration is less than eight hours. When technically feasible, flaring during maintenance activities will be utilized in lieu of venting to the atmosphere. Devon will work with third-party operators during scheduled maintenance of downstream pipeline or processing plants to address those events ahead of time to minimize venting. Actions considered include identifying alternative capture approaches or planning to temporarily reduce production or shut in the well to address these circumstances.

1. Geologic Formations

TVD of target	9009	Pilot hole depth	N/A
MD at TD:	19340	Deepest expected fresh water	

Basin

Formation	Depth (TVD)	Water/Mineral Bearing/Target	Hazards*
	from KB	Zone?	
Rustler	823		
Salt	1165		
Base of Salt	4217		
Delaware	4551		
Cherry Canyon	5426		
Brushy Canyon	6667		
1st Bone Spring Lime	8334		

*H2S, water flows, loss of circulation, abnormal pressures, etc.

2.	Casing	Program
4.	Casing	Frogram

		Wt			Casing	Interval	Casing	Interval
Hole Size	Csg. Size	(PPF)	Grade	Conn	From (MD)	To (MD)	From (TVD)	To (TVD)
17 1/2	13 3/8	48	H40	BTC	0	848	0	848
12 1/4	9 5/8	40	J-55	BTC	0	4317	0	4317
8 3/4	5 1/2	17	P110	BTC	0	19340	0	9009

• All casing strings will be tested in accordance with Onshore Oil and Gas Order #2 IILB.1.h Must have table for contingency casing.

Casing	# Sks	тос	Wt. (lb/gal)	Yld (ft3/sack)	Slurry Description
Surface	652	Surf	13.2	1.4	Lead: Class C Cement + additives
Int 1	467	Surf	9.0	3.3	Lead: Class C Cement + additives
Int I	154	500' above shoe	13.2	1.4	Tail: Class H / C + additives
Int 1	As Needed	Surf	9.0	3.3	Squeeze Lead: Class C Cement + additives
Intermediate	467	Surf	9.0	3.3	Lead: Class C Cement + additives
Squeeze	154	500' above shoe	13.2	1.4	Tail: Class H / C + additives
Production	401	500' tieback	9.0	3.3	Lead: Class H /C + additives
rioduction	2088	КОР	13.2	1.4	Tail: Class H / C + additives

3. Cementing Program (3-String Primary Design)

If a DV tool is ran the depth(s) will be adjusted based on hole conditions and cement volumes will be adjusted proportionally. Slurry weights will be adjusted based on estimated fracture gradient of the formation. DV tool will be set a minimum of 50 feet below previous casing and a minimum of 200 feet above current shoe. If cement is not returned to surface during the primary cement job on the surface casing string, a planned top job will be conducted immediately after completion of the primary job.

Casing String	% Excess
Surface	50%
Intermediate	30%
Production	10%

4. Pressure Control Equipment (Three String Design)

BOP installed and tested before drilling which hole?	Size?	Min. Required WP	Туре		~	Tested to:																																				
		514	Anı	nular	X	50% of rated working pressure																																				
Int 1	13-58"		5M	5M	5M	5M	Bline	d Ram	Х																																	
1111 1	15-58	5101	Pipe	e Ram		5M																																				
			Doub	le Ram	Х	JIVI																																				
			Other*																																							
		5M	5M	5M	An	nular	Х	50% of rated working pressure																																		
Production	13 5/8"				5M	5M	13-5/8" 5M	5M	5M	5M	5M	5M	5M	5M	5M	5M	5M	5M	5M	5M	5M	5M	5M	5M	5M	5M	5M	5M	5M	5M	5M	5M	5M	5M	5M	5M	5M	5M	Bline	d Ram	Х	
Floduction	13-3/0																																						5101	5101	5101	5101
								Doub	le Ram	Х	JIVI																															
			Other*																																							
			Annul	ar (5M)																																						
			Blind	d Ram																																						
			Pipe	e Ram																																						
			Doub	le Ram																																						
			Other*																																							

5. Mud Program (Three String Design)

Section	Туре	Weight (ppg)
Surface	FW Gel	8.5-9
Intermediate	Brine	10-10.5
Production	WBM	8.5-9

Sufficient mud materials to maintain mud properties and meet minimum lost circulation and weight increase requirements will be kept on location at all times.

What will be used to monitor the loss or gain of fluid?	PVT/Pason/Visual Monitoring

6. Logging and Testing Procedures

Logging, Co	Logging, Coring and Testing							
	Will run GR/CNL from TD to surface (horizontal well - vertical portion of hole). Stated logs run will be in the							
Х	Completion Report and sbumitted to the BLM.							
	No logs are planned based on well control or offset log information.							
	Drill stem test? If yes, explain.							
	Coring? If yes, explain.							

Additional	logs planned	Interval
	Resistivity	
	Density	
Х	CBL	Production casing
Х	Mud log	KOP to TD
	PEX	

7. Drilling Conditions

Condition	Specfiy what type and where?
BH pressure at deepest TVD	4216
Abnormal temperature	No

Mitigation measure for abnormal conditions. Describe. Lost circulation material/sweeps/mud scavengers.

Hydrogren Sulfide (H2S) monitors will be installed prior to drilling out the surface shoe. If H2S is detected in concentrations
greater than 100 ppm, the operator will comply with the provisions of Onshore Oil and Gas Order #6. If Hydrogen Sulfide is
encountered measured values and formations will be provided to the BLM.NH2S is presentYH2S plan attached.

8. Other facets of operation

Is this a walking operation? Potentially

- 1 If operator elects, drilling rig will batch drill the surface holes and run/cement surface casing; walking the rig to next wells on the pad.
- 2 The drilling rig will then batch drill the intermediate sections and run/cement intermediate casing; the wellbore will be isolated with a blind flange and pressure gauge installed for monitoring the well before walking to the next well.
- 3 The drilling rig will then batch drill the production hole sections on the wells with OBM, run/cement production casing, and install TA caps or tubing heads for completions.

NOTE: During batch operations the drilling rig will be moved from well to well however, it will not be removed from the pad until all wells have production casing run/cemented.

Will be pre-setting casing? Potentially

1 Spudder rig will move in and batch drill surface hole.

- a. Rig will utilize fresh water based mud to drill surface hole to TD. Solids control will be handled entirely on a closed loop basis.
- 2 After drilling the surface hole section, the spudder rig will run casing and cement following all of the applicable rules and regulations (OnShore Order 2, all COAs and NMOCD regulations).
- 3 The wellhead will be installed and tested once the surface casing is cut off and the WOC time has been reached.
- 4 A blind flange with the same pressure rating as the wellhead will be installed to seal the wellbore. Pressure will be monitored with a pressure gauge installed on the wellhead.
- 5 Spudder rig operations is expected to take 4-5 days per well on a multi-well pad.
- 6 The NMOCD will be contacted and notified 24 hours prior to commencing spudder rig operations.
- 7 Drilling operations will be performed with drilling rig. At that time an approved BOP stack will be nippled up and tested on the wellhead before drilling operations commences on each well.
 - a. The NMOCD will be contacted / notified 24 hours before the drilling rig moves back on to the pad with the pre-set surface casing.

Attachments

X Directional Plan Other, describe



Section 1 - Geologic Formations

Sec	ction 1 - Geologic	Formatio	ns				
Formation ID	Formation Name	Elevation	True Vertical	Measured Depth	Lithologies	Mineral Resources	Producing Formatio
7919198	UNKNOWN	3518	0	0	OTHER : SURFACE	NONE	N
7919199	RUSTLER	2695	823	823	SANDSTONE	NONE	N
7919200	SALADO	2353	1165	1165	SALT	NONE	N
7919201	BASE OF SALT	-699	4217	4217	ANHYDRITE	NATURAL GAS, OIL	N
7919202	BELL CANYON	-1033	4551	4551	SANDSTONE	NATURAL GAS, OIL	N
7919203	CHERRY CANYON	-1908	5426	5426	SANDSTONE	NATURAL GAS, OIL	N
7919204	BRUSHY CANYON	-3149	6667	6667	SANDSTONE	NATURAL GAS, OIL	N
7919211	BONE SPRING LIME	-4816	8334	8334	LIMESTONE	NATURAL GAS, OIL	Y
7919205	BONE SPRING	-5918	9436	9436	SANDSTONE	NATURAL GAS, OIL	N
7919207	BONE SPRING 2ND	-6502	10020	10020	SANDSTONE	NATURAL GAS, OIL	N
7919212	BONE SPRING LIME	-7025	10543	10543	LIMESTONE	NATURAL GAS, OIL	N
7919214	BONE SPRING 3RD	-7776	11294	11294	SANDSTONE	NATURAL GAS, OIL	N
7919209	WOLFCAMP	-8212	11730	11730	SHALE	NATURAL GAS, OIL	N
7919210	STRAWN	-9957	13475	13475	LIMESTONE	NATURAL GAS, OIL	N

Section 2 - Blowout Prevention





Commitment Runs Deep



Design Plan Operation and Maintenance Plan Closure Plan

SENM - Closed Loop Systems June 2010

I. Design Plan

Devon uses MI SWACO closed loop system (CLS). The MI SWACO CLS is designed to maintain drill solids at or below 5%. The equipment is arranged to progressively remove solids from the largest to the smallest size. Drilling fluids can thus be reused and savings is realized on mud and disposal costs. Dewatering may be required with the centrifuges to insure removal of ultra fine solids.

The drilling location is constructed to allow storm water to flow to a central sump normally the cellar. This insures no contamination leaves the drilling pad in the event of a spill. Storm water is reused in the mud system or stored in a reserve fluid tank farm until it can be reused. All lubricants, oils, or chemicals are removed immediately from the ground to prevent the contamination of storm water. An oil trap is normally installed on the sump if an oil spill occurs during a storm.

A tank farm is utilized to store drilling fluids including fresh water and brine fluids. The tank farm is constructed on a 20 ml plastic lined, bermed pad to prevent the contamination of the drilling site during a spill. Fluids from other sites may be stored in these tanks for processing by the solids control equipment and reused in the mud system. At the end of the well the fluids are transported from the tank farm to an adjoining well or to the next well for the rig.

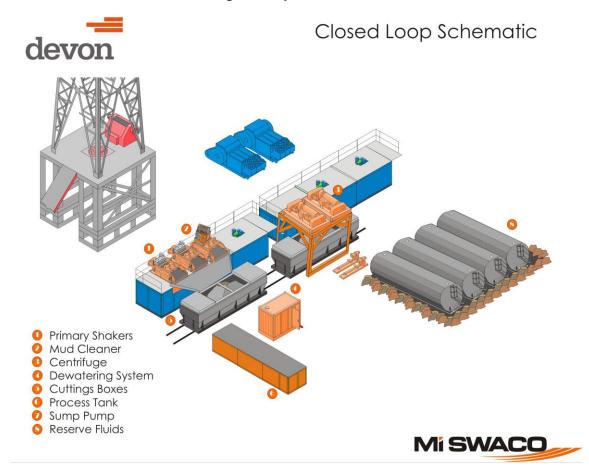
Prior to installing a closed-loop system on site, the topsoil, if present, will be stripped and stockpiled for use as the final cover or fill at the time of closure.

Signs will be posted on the fence surrounding the closed-loop system unless the closed-loop system is located on a site where there is an existing well, that is operated by Devon.

II. Operations and Maintenance Plan

Primary Shakers: The primary shakers make the first removal of drill solids from the drilling mud as it leaves the well bore. The shakers are sized to handle maximum drilling rate at optimal screen size. The shakers normally remove solids down to 74 microns.

Mud Cleaner: The Mud Cleaner cleans the fluid after it leaves the shakers. A set of hydrocyclones are sized to handle 1.25 to 1.5 times the maximum circulating rate. This ensures all the fluid is being processed to an average cut point of 25 microns. The wet discharged is dewatered on a shaker equipped with ultra fine mesh screens and generally cut at 40 microns.



Centrifuges: The centrifuges can be one or two in number depending on the well geometry or depth of well. The centrifuges are sized to maintain low gravity solids at 5% or below. They may or may not need a dewatering system to enhance the removal rates. The centrifuges can make a cut point of 8-10 microns depending on bowl speed, feed rate, solids loading and other factors.

The centrifuge system is designed to work on the active system and be flexible to process incoming fluids from other locations. This set-up is also dependent on well factors.

Dewatering System: The dewatering system is a chemical mixing and dosing system designed to enhance the solids removal of the centrifuge. Not commonly used in shallow wells. It may contain pH adjustment, coagulant mixing and dosing, and polymer mixing and dosing. Chemical flocculation binds ultra fine solids into a mass that is within the centrifuge operating design. The

dewatering system improves the centrifuge cut point to infinity or allows for the return of clear water or brine fluid. This ability allows for the ultimate control of low gravity solids.

Cuttings Boxes: Cuttings boxes are utilized to capture drill solids that are discarded from the solids control equipment. These boxes are set upon a rail system that allows for the removal and replacement of a full box of cuttings with an empty one. They are equipped with a cover that insures no product is spilled into the environment during the transportation phase.

Process Tank: (Optional) The process tank allows for the holding and process of fluids that are being transferred into the mud system. Additionally, during times of lost circulation the process tank may hold active fluids that are removed for additional treatment. It can further be used as a mixing tank during well control conditions.

Sump and Sump Pump: The sump is used to collect storm water and the pump is used to transfer this fluid to the active system or to the tank for to hold in reserve. It can also be used to collect fluids that may escape during spills. The location contains drainage ditches that allow the location fluids to drain to the sump.

Reserve Fluids (Tank Farm): A series of frac tanks are used to replace the reserve pit. These are steel tanks that are equipped with a manifold system and a transfer pump. These tanks can contain any number of fluids used during the drilling process. These can include fresh water, cut brine, and saturated salt fluid. The fluid can be from the active well or reclaimed fluid from other locations. A 20 ml liner and berm system is employed to ensure the fluids do not migrate to the environment during a spill.

If a leak develops, the appropriate division district office will be notified within 48 hours of the discovery and the leak will be addressed. Spill prevention is accomplished by maintaining pump packing, hoses, and pipe fittings to insure no leaks are occurring. During an upset condition the source of the spill is isolated and repaired as soon as it is discovered. Free liquid is removed by a diaphragm pump and returned to the mud system. Loose topsoil may be used to stabilize the spill and the contaminated soil is excavated and placed in the cuttings boxes. After the well is finished and the rig has moved, the entire location is scrapped and testing will be performed to determine if a release has occurred.

All trash is kept in a wire mesh enclosure and removed to an approved landfill when full. All spent motor oils are kept in separate containers and they are removed and sent to an approved recycling center. Any spilled lubricants, pipe dope, or regulated chemicals are removed from soil and sent to landfills approved for these products.

These operations are monitored by Mi Swaco service technicians. Daily logs are maintained to ensure optimal equipment operation and maintenance. Screen and chemical use is logged to maintain inventory control. Fluid properties are monitored and recorded and drilling mud volumes are accounted for in the mud storage farm. This data is kept for end of well review to insure performance goals are met. Lessons learned are logged and used to help with continuous improvement.

A MI SWACO field supervisor manages from 3-5 wells. They are responsible for training personnel, supervising installations, and inspecting sites for compliance of MI SWACO safety and operational policy.

III. Closure Plan

A maximum 340' X 340' caliche pad is built per well. All of the trucks and steel tanks fit on this pad. All fluid cuttings go to the steel tanks to be hauled by various trucking companies to an agency approved disposal.

Devon Energy APD VARIANCE DATA

OPERATOR NAME: Devon Energy

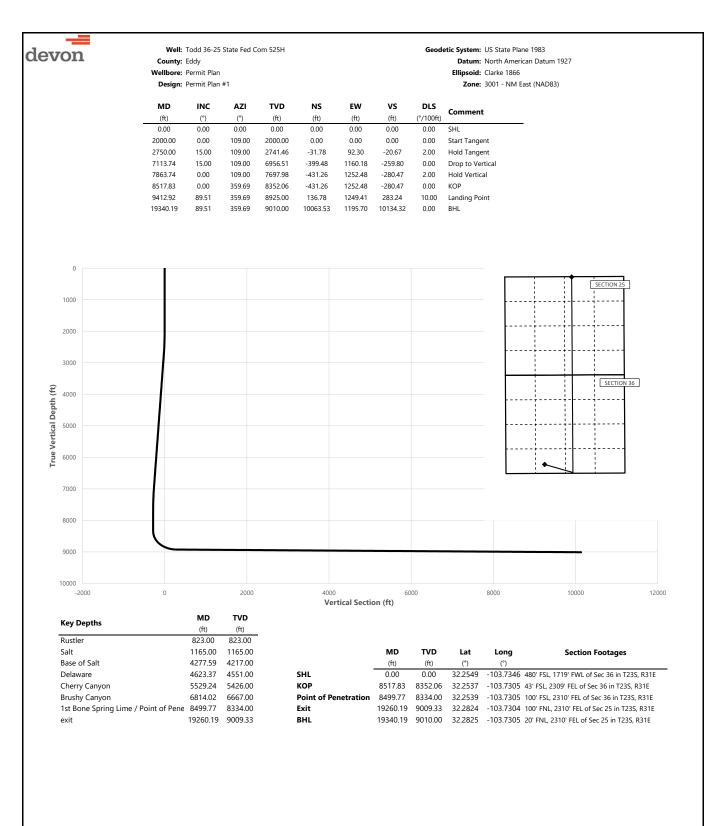
1. SUMMARY OF Variance:

Devon Energy respectfully requests approval for the following additions to the drilling plan:

1. Potential utilization of a spudder rig to pre-set surface casing.

2. Description of Operations

- **1.** A spudder rig contractor may move in their rig to drill the surface hole section and pre-set surface casing on this well.
 - **a.** After drilling the surface hole section, the rig will run casing and cement following all of the applicable rules and regulations (OnShore Order 2, all COAs and NMOCD regulations).
 - b. Rig will utilize fresh water based mud to drill surface hole to TD.
- 2. The wellhead will be installed and tested once the surface casing is cut off and the WOC time has been reached.
- **3.** A blind flange with the same pressure rating as the wellhead will be installed to seal the wellbore. Pressure will be monitored with needle valves installed on two wingvalves.
 - **a.** A means for intervention will be maintained while the drilling rig is not over the well.
- 4. The BLM will be contacted and notified 24 hours prior to commencing spudder rig operations.
- 5. Drilling operation will be performed with the big rig. At that time an approved BOP stack will be nippled up and tested on the wellhead before drilling operations commences on each well.
 - **a.** The BLM will be contacted / notified 24 hours before the big rig moves back on to the pad with the pre-set surface casing.
- **6.** Devon Energy will have supervision on the rig to ensure compliance with all BLM and NMOCD regulations and to oversee operations.
- 7. Once the rig is removed, Devon Energy will secure the wellhead area by placing a guard rail around the cellar area.



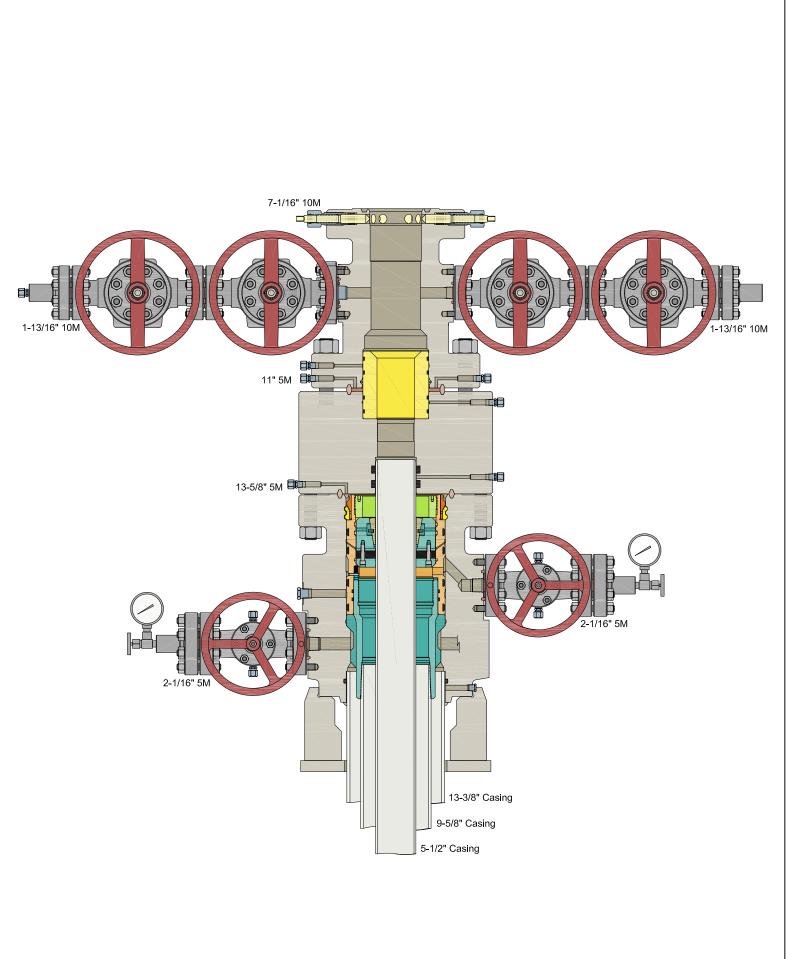
MD (ft) 0.00 200.00 200.00 400.00 500.00 600.00 700.00 800.00 800.00 1000.00 1100.00 1100.00 1100.00 1100.00 1300.00 1500.00 1500.00 1700.00	INC (°) 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.	AZI (*) 109.00 109.00 109.00 109.00 109.00 109.00 109.00 109.00 109.00 109.00 109.00	TVD (ft) 0.00 200.00 300.00 400.00 500.00 600.00 700.00 800.00 823.00	NS (ft) 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.	EW (ft) 0.00 0.00 0.00 0.00 0.00	VS (ft) 0.00 0.00 0.00	DLS (°/100ft) 0.00 0.00	Comment SHL	
0.00 100.00 200.00 300.00 500.00 600.00 700.00 800.00 800.00 1100.00 1100.00 1100.00 1100.00 1300.00 1400.00 1500.00 1700.00	0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.0	0.00 109.00 109.00 109.00 109.00 109.00 109.00 109.00 109.00 109.00 109.00	0.00 100.00 200.00 300.00 400.00 500.00 600.00 700.00 800.00 823.00	0.00 0.00 0.00 0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00	0.00 0.00	0.00	SHL	
200.00 300.00 400.00 500.00 600.00 800.00 800.00 1000.00 1100.00 1100.00 1100.00 1100.00 1300.00 1400.00 1500.00 1700.00	0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.0	109.00 109.00 109.00 109.00 109.00 109.00 109.00 109.00 109.00	200.00 300.00 400.00 500.00 600.00 700.00 800.00 823.00	0.00 0.00 0.00 0.00 0.00	0.00 0.00		0.00		
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600.00 700.00 800.00 823.00 900.00 1100.00 1165.00 1200.00 1400.00 1400.00 1500.00 1600.00 1700.00	0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.0	109.00 109.00 109.00 109.00 109.00 109.00	600.00 700.00 800.00 823.00	0.00		0.00	0.00		
700.00 800.00 823.00 900.00 1000.00 1100.00 1165.00 1200.00 1300.00 1400.00 1500.00 1600.00 1700.00	0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.0	109.00 109.00 109.00 109.00 109.00	700.00 800.00 823.00		0.00	0.00	0.00		
800.00 823.00 900.00 1000.00 1100.00 1165.00 1200.00 1300.00 1400.00 1500.00 1600.00 1700.00	0.00 0.00 0.00 0.00 0.00 0.00 0.00	109.00 109.00 109.00 109.00	800.00 823.00	0.00	0.00	0.00	0.00		
823.00 900.00 1000.00 1100.00 1165.00 1200.00 1300.00 1400.00 1500.00 1600.00 1700.00	0.00 0.00 0.00 0.00 0.00 0.00	109.00 109.00 109.00	823.00		0.00	0.00	0.00		
900.00 1000.00 1100.00 1165.00 1200.00 1300.00 1400.00 1500.00 1600.00 1700.00	0.00 0.00 0.00 0.00 0.00	109.00 109.00		0.00	0.00	0.00	0.00	Duration	
1000.00 1100.00 1165.00 1200.00 1300.00 1400.00 1500.00 1600.00 1700.00	0.00 0.00 0.00 0.00	109.00	900.00	0.00 0.00	0.00	0.00	0.00 0.00	Rustler	
1100.00 1165.00 1200.00 1300.00 1400.00 1500.00 1600.00 1700.00	0.00 0.00 0.00		1000.00	0.00	0.00 0.00	0.00 0.00	0.00		
1165.00 1200.00 1300.00 1400.00 1500.00 1600.00 1700.00	0.00 0.00		1100.00	0.00	0.00	0.00	0.00		
1200.00 1300.00 1400.00 1500.00 1600.00 1700.00	0.00	109.00	1165.00	0.00	0.00	0.00	0.00	Salt	
1300.00 1400.00 1500.00 1600.00 1700.00		109.00	1200.00	0.00	0.00	0.00	0.00	Sur	
1400.00 1500.00 1600.00 1700.00	0.00	109.00	1300.00	0.00	0.00	0.00	0.00		
1500.00 1600.00 1700.00	0.00	109.00	1400.00	0.00	0.00	0.00	0.00		
1700.00	0.00	109.00	1500.00	0.00	0.00	0.00	0.00		
	0.00	109.00	1600.00	0.00	0.00	0.00	0.00		
1800.00	0.00	109.00	1700.00	0.00	0.00	0.00	0.00		
	0.00	109.00	1800.00	0.00	0.00	0.00	0.00		
1900.00	0.00	109.00	1900.00	0.00	0.00	0.00	0.00		
2000.00	0.00	109.00	2000.00	0.00	0.00	0.00	0.00	Start Tangent	
2100.00	2.00	109.00	2099.98	-0.57	1.65	-0.37	2.00		
2200.00	4.00	109.00	2199.84	-2.27	6.60	-1.48	2.00		
2300.00	6.00	109.00	2299.45	-5.11	14.84	-3.32	2.00		
2400.00	8.00	109.00	2398.70	-9.08	26.36	-5.90	2.00		
2500.00 2600.00	10.00 12.00	109.00 109.00	2497.47 2595.62	-14.17 -20.38	41.15 59.19	-9.22	2.00 2.00		
2700.00	14.00	109.00	2693.02	-20.38	80.46	-13.26 -18.02	2.00		
2750.00	15.00	109.00	2741.46	-31.78	92.30	-20.67	2.00	Hold Tangent	
2800.00	15.00	109.00	2789.76	-35.99	104.53	-23.41	0.00	Told Tallgent	
2900.00	15.00	109.00	2886.35	-44.42	129.00	-28.89	0.00		
3000.00	15.00	109.00	2982.94	-52.85	153.48	-34.37	0.00		
3100.00	15.00	109.00	3079.54	-61.27	177.95	-39.85	0.00		
3200.00	15.00	109.00	3176.13	-69.70	202.42	-45.33	0.00		
3300.00	15.00	109.00	3272.72	-78.12	226.89	-50.81	0.00		
3400.00	15.00	109.00	3369.31	-86.55	251.36	-56.29	0.00		
3500.00	15.00	109.00	3465.91	-94.98	275.84	-61.77	0.00		
3600.00	15.00	109.00	3562.50	-103.40	300.31	-67.25	0.00		
3700.00	15.00	109.00	3659.09	-111.83	324.78	-72.73	0.00		
3800.00	15.00	109.00	3755.68	-120.26	349.25	-78.21	0.00		
3900.00	15.00	109.00	3852.28	-128.68	373.72	-83.69	0.00		
4000.00	15.00	109.00	3948.87	-137.11	398.19	-89.17	0.00		
4100.00 4200.00	15.00	109.00	4045.46	-145.54	422.67	-94.65	0.00 0.00		
4200.00	15.00 15.00	109.00 109.00	4142.05 4217.00	-153.96 -160.50	447.14 466.13	-100.13 -104.38	0.00	Base of Salt	
4300.00	15.00	109.00	4238.65	-162.39	471.61	-104.50	0.00		
4400.00	15.00	109.00	4335.24	-170.81	496.08	-111.09	0.00		
4500.00	15.00	109.00	4431.83	-179.24	520.55	-116.57	0.00		
4600.00	15.00	109.00	4528.42	-187.67	545.03	-122.05	0.00		
4623.37	15.00	109.00	4551.00	-189.64	550.75	-123.33	0.00	Delaware	
4700.00	15.00	109.00	4625.02	-196.09	569.50	-127.53	0.00		
4800.00	15.00	109.00	4721.61	-204.52	593.97	-133.01	0.00		
4900.00	15.00	109.00	4818.20	-212.95	618.44	-138.49	0.00		
5000.00	15.00	109.00	4914.80	-221.37	642.91	-143.97	0.00		
5100.00	15.00	109.00	5011.39	-229.80	667.38	-149.45	0.00		
5200.00	15.00	109.00	5107.98	-238.22	691.86	-154.93	0.00		
5300.00	15.00	109.00	5204.57	-246.65	716.33	-160.41	0.00		
5400.00	15.00	109.00	5301.17	-255.08	740.80	-165.89	0.00		
5500.00	15.00	109.00	5397.76	-263.50	765.27	-171.37	0.00	Cherry Capyon	
5529.24	15.00	109.00	5426.00	-265.97	772.43	-172.97	0.00	Cherry Canyon	
5600.00	15.00	109.00	5494.35	-271.93	789.74 814 22	-176.85	0.00		
5700.00 5800.00	15.00	109.00	5590.94	-280.36	814.22	-182.33	0.00 0.00		
5800.00 5900.00	15.00 15.00	109.00 109.00	5687.54 5784.13	-288.78 -297.21	838.69 863.16	-187.81 -193.29	0.00		
6000.00	15.00	109.00	5784.13	-297.21	887.63	-193.29	0.00		
6100.00	15.00	109.00	5000.72	-305.63	912.10	-204.25	0.00		
					936.57		0.00		
6200.00	15.00	109.00	6073.91	-322.49		-209.73	0.00		

devon		County: Wellbore:	Eddy		om 525H				Geodetic System: US State Plane 1983 Datum: North American Datum 1927 Ellipsoid: Clarke 1866 Zone: 3001 - NM East (NAD83)
	MD	INC	AZI	TVD	NS	EW	VS	DLS (°/100ft)	Comment
-	(ft) 6400.00	(°) 15.00	(°) 109.00	(ft) 6267.09	(ft) -339.34	(ft) 985.52	(ft) -220.69	0.00	
	6500.00	15.00	109.00	6363.68	-347.77	1009.99	-226.17	0.00	
	6600.00 6700.00	15.00 15.00	109.00 109.00	6460.28 6556.87	-356.19 -364.62	1034.46 1058.93	-231.65 -237.13	0.00 0.00	
	6800.00	15.00	109.00	6653.46	-373.04	1083.41	-242.61	0.00	
	6814.02	15.00	109.00	6667.00	-374.23	1086.84	-243.38	0.00	Brushy Canyon
	6900.00 7000.00	15.00 15.00	109.00 109.00	6750.05 6846.65	-381.47 -389.90	1107.88 1132.35	-248.09 -253.57	0.00 0.00	
	7100.00	15.00	109.00	6943.24	-398.32	1156.82	-259.05	0.00	
	7113.74	15.00	109.00	6956.51	-399.48	1160.18	-259.80	0.00	Drop to Vertical
	7200.00 7300.00	13.27 11.27	109.00 109.00	7040.16 7137.86	-406.34 -413.26	1180.10 1200.20	-264.27 -268.77	2.00 2.00	
	7400.00	9.27	109.00	7236.26	-419.07	1217.07	-272.55	2.00	
	7500.00	7.27	109.00	7335.21	-423.76	1230.68	-275.59	2.00	
	7600.00 7700.00	5.27 3.27	109.00 109.00	7434.61 7534.32	-427.31 -429.74	1241.01 1248.06	-277.91 -279.49	2.00 2.00	
	7800.00	1.27	109.00	7634.24	-431.03	1251.81	-280.33	2.00	
	7863.74	0.00	109.00	7697.98	-431.26	1252.48	-280.47	2.00	Hold Vertical
	7900.00 8000.00	0.00 0.00	359.69 359.69	7734.23 7834.23	-431.26 -431.26	1252.48 1252.48	-280.48 -280.48	0.00 0.00	
	8100.00	0.00	359.69	7934.23	-431.26	1252.48	-280.48	0.00	
	8200.00	0.00	359.69	8034.23	-431.26	1252.48	-280.48	0.00	
	8300.00 8400.00	0.00 0.00	359.69 359.69	8134.23 8234.23	-431.26 -431.26	1252.48 1252.48	-280.48 -280.48	0.00 0.00	
	8499.77	0.00	359.69	8334.00	-431.26	1252.48	-280.48	0.00	1st Bone Spring Lime / Point of Penetration
	8500.00	0.00	359.69	8334.23	-431.26	1252.48	-280.48	0.00	
	8517.83 8600.00	0.00 8.22	359.69 359.69	8352.06 8433.95	-431.26 -425.38	1252.48 1252.45	-280.47 -274.64	0.00 10.00	КОР
	8700.00	18.22	359.69	8531.18	-402.55	1252.33	-251.98	10.00	
	8800.00	28.22	359.69	8622.96	-363.18	1252.11	-212.91	10.00	
	8900.00 9000.00	38.22 48.22	359.69 359.69	8706.52 8779.30	-308.47 -240.08	1251.82 1251.45	-158.61 -90.75	10.00 10.00	
	9100.00	58.22	359.69	8839.11	-160.09	1251.01	-11.37	10.00	
	9200.00	68.22	359.69	8884.11	-70.93	1250.53	77.11	10.00	
	9300.00 9400.00	78.22 88.22	359.69 359.69	8912.95 8924.74	24.69 123.86	1250.01 1249.48	172.00 270.41	10.00 10.00	
	9412.92	89.51	359.69	8925.00	136.78	1249.41	283.24	10.00	Landing Point
	9500.00	89.51	359.69	8925.75	223.85	1248.94	369.64	0.00	
	9600.00 9700.00	89.51 89.51	359.69 359.69	8926.60 8927.46	323.85 423.84	1248.40 1247.85	468.88 568.11	0.00 0.00	
	9800.00	89.51	359.69	8928.31	523.84	1247.31	667.34	0.00	
	9900.00	89.51	359.69	8929.17 8930.03	623.83	1246.77	766.58	0.00	
	10000.00 10100.00	89.51 89.51	359.69 359.69	8930.03 8930.88	723.83 823.82	1246.23 1245.69	865.81 965.04	0.00 0.00	
	10200.00	89.51	359.69	8931.74	923.82	1245.15	1064.27	0.00	
	10300.00	89.51	359.69	8932.60	1023.81	1244.60	1163.51	0.00	
	10400.00 10500.00	89.51 89.51	359.69 359.69	8933.45 8934.31	1123.80 1223.80	1244.06 1243.52	1262.74 1361.97	0.00 0.00	
	10600.00	89.51	359.69	8935.17	1323.79	1242.98	1461.20	0.00	
	10700.00 10800.00	89.51 89.51	359.69 359.69	8936.02 8936.88	1423.79 1523.78	1242.44 1241.90	1560.44 1659.67	0.00 0.00	
	10900.00	89.51	359.69	8937.73	1623.78	1241.35	1758.90	0.00	
	11000.00	89.51	359.69	8938.59	1723.77	1240.81	1858.13	0.00	
	11100.00 11200.00	89.51 89.51	359.69 359.69	8939.45 8940.30	1823.77 1923.76	1240.27 1239.73	1957.37 2056.60	0.00 0.00	
	11300.00	89.51	359.69	8941.16	2023.76	1239.19	2155.83	0.00	
	11400.00	89.51	359.69	8942.02	2123.75	1238.65	2255.06	0.00	
	11500.00 11600.00	89.51 89.51	359.69 359.69	8942.87 8943.73	2223.75 2323.74	1238.11 1237.56	2354.30 2453.53	0.00 0.00	
	11700.00	89.51	359.69	8943.73 8944.59	2423.74	1237.02	2552.76	0.00	
	11800.00	89.51	359.69	8945.44	2523.73	1236.48	2651.99	0.00	
	11900.00 12000.00	89.51 89.51	359.69 359.69	8946.30 8947.15	2623.73 2723.72	1235.94 1235.40	2751.23 2850.46	0.00 0.00	
	12100.00	89.51	359.69	8948.01	2823.72	1233.40	2949.69	0.00	
	12200.00	89.51	359.69	8948.87	2923.71	1234.31	3048.92	0.00	
	12300.00 12400.00	89.51 89.51	359.69 359.69	8949.72 8950 58	3023.71 3123.70	1233.77 1233.23	3148.16 3247.39	0.00	
	12400.00	89.51 89.51	359.69 359.69	8950.58 8951.44	3123.70	1233.23	3247.39 3346.62	0.00 0.00	
	12600.00	89.51	359.69	8952.29	3323.69	1232.15	3445.85	0.00	
	12700.00	89.51	359.69	8953.15	3423.69	1231.61	3545.09	0.00	

n		County: Wellbore:			om 525H				Datum: Ellipsoid:	US State Plane 1983 North American Datum 1927 Clarke 1866 3001 - NM East (NAD83)
	MD (ft)	INC (°)	AZI	TVD (ft)	NS (ft)	EW (ft)	VS (ft)	DLS (°/100ft)	Comment	
	12800.00	89.51	(°) 359.69	8954.01	3523.68	1231.07	3644.32	0.00		
	12900.00	89.51	359.69	8954.86	3623.68	1230.52	3743.55	0.00		
	13000.00	89.51	359.69	8955.72	3723.67	1229.98	3842.78	0.00		
	13100.00	89.51	359.69	8956.57	3823.67	1229.44	3942.02	0.00		
	13200.00	89.51	359.69	8957.43	3923.66	1228.90	4041.25	0.00		
	13300.00	89.51	359.69	8958.29	4023.66	1228.36	4140.48	0.00		
	13400.00	89.51	359.69	8959.14	4123.65	1227.82	4239.71	0.00		
	13500.00 13600.00	89.51 89.51	359.69 359.69	8960.00 8960.86	4223.65 4323.64	1227.27 1226.73	4338.95 4438.18	0.00 0.00		
	13700.00	89.51	359.69	8961.71	4423.64	1226.19	4537.41	0.00		
	13800.00	89.51	359.69	8962.57	4523.63	1225.65	4636.64	0.00		
	13900.00	89.51	359.69	8963.43	4623.63	1225.11	4735.88	0.00		
	14000.00	89.51	359.69	8964.28	4723.62	1224.57	4835.11	0.00		
	14100.00	89.51	359.69	8965.14	4823.61	1224.02	4934.34	0.00		
	14200.00	89.51	359.69	8965.99	4923.61	1223.48	5033.57	0.00		
	14300.00 14400.00	89.51 89.51	359.69 359.69	8966.85 8967.71	5023.60 5123.60	1222.94 1222.40	5132.81 5232.04	0.00 0.00		
	14400.00 14500.00	89.51 89.51	359.69 359.69	8967.71	5223.59	1222.40	5232.04 5331.27	0.00		
	14600.00	89.51	359.69	8969.42	5323.59	1221.32	5430.50	0.00		
	14700.00	89.51	359.69	8970.28	5423.58	1220.78	5529.74	0.00		
	14800.00	89.51	359.69	8971.13	5523.58	1220.23	5628.97	0.00		
	14900.00	89.51	359.69	8971.99	5623.57	1219.69	5728.20	0.00		
	15000.00	89.51	359.69	8972.85	5723.57	1219.15	5827.43	0.00		
	15100.00	89.51	359.69	8973.70	5823.56	1218.61	5926.67	0.00		
	15200.00 15300.00	89.51 89.51	359.69 359.69	8974.56 8975.41	5923.56 6023.55	1218.07 1217.53	6025.90 6125.13	0.00 0.00		
	15400.00	89.51	359.69	8976.27	6123.55	1216.98	6224.36	0.00		
	15500.00	89.51	359.69	8977.13	6223.54	1216.44	6323.60	0.00		
	15600.00	89.51	359.69	8977.98	6323.54	1215.90	6422.83	0.00		
	15700.00	89.51	359.69	8978.84	6423.53	1215.36	6522.06	0.00		
	15800.00	89.51	359.69	8979.70	6523.53	1214.82	6621.29	0.00		
	15900.00	89.51	359.69	8980.55	6623.52	1214.28	6720.53	0.00		
	16000.00	89.51	359.69	8981.41	6723.52	1213.74	6819.76	0.00		
	16100.00 16200.00	89.51 89.51	359.69 359.69	8982.27 8983.12	6823.51 6923.51	1213.19 1212.65	6918.99 7018.22	0.00 0.00		
	16300.00	89.51	359.69	8983.98	7023.50	1212.05	7117.46	0.00		
	16400.00	89.51	359.69	8984.83	7123.50	1211.57	7216.69	0.00		
	16500.00	89.51	359.69	8985.69	7223.49	1211.03	7315.92	0.00		
	16600.00	89.51	359.69	8986.55	7323.49	1210.49	7415.15	0.00		
	16700.00	89.51	359.69	8987.40	7423.48	1209.94	7514.39	0.00		
	16800.00	89.51	359.69	8988.26	7523.48	1209.40	7613.62	0.00		
	16900.00 17000.00	89.51 89.51	359.69 359.69	8989.12 8989.97	7623.47 7723.47	1208.86 1208.32	7712.85 7812.08	0.00 0.00		
	17100.00	89.51	359.69	8990.83	7823.46	1200.32	7911.32	0.00		
	17200.00	89.51	359.69	8991.69	7923.46	1207.24	8010.55	0.00		
	17300.00	89.51	359.69	8992.54	8023.45	1206.69	8109.78	0.00		
	17400.00	89.51	359.69	8993.40	8123.45	1206.15	8209.01	0.00		
	17500.00	89.51	359.69	8994.25	8223.44	1205.61	8308.25	0.00		
	17600.00	89.51	359.69	8995.11	8323.44	1205.07	8407.48	0.00		
	17700.00	89.51	359.69	8995.97	8423.43	1204.53	8506.71	0.00		
	17800.00 17900.00	89.51 89.51	359.69 359.69	8996.82 8997.68	8523.42 8623.42	1203.99 1203.45	8605.94 8705.18	0.00 0.00		
	18000.00	89.51 89.51	359.69	8997.66	8723.42	1203.45	8804.41	0.00		
	18100.00	89.51	359.69	8999.39	8823.41	1202.36	8903.64	0.00		
	18200.00	89.51	359.69	9000.25	8923.40	1201.82	9002.87	0.00		
	18300.00	89.51	359.69	9001.11	9023.40	1201.28	9102.11	0.00		
	18400.00	89.51	359.69	9001.96	9123.39	1200.74	9201.34	0.00		
	18500.00	89.51	359.69	9002.82	9223.39	1200.20	9300.57	0.00		
	18600.00	89.51 89.51	359.69	9003.67	9323.38	1199.65	9399.80	0.00		
	18700.00 18800.00	89.51 89.51	359.69 359.69	9004.53 9005.39	9423.38 9523.37	1199.11 1198.57	9499.04 9598.27	0.00 0.00		
	18900.00	89.51 89.51	359.69	9005.39 9006.24	9523.37 9623.37	1198.03	9598.27 9697.50	0.00		
	19000.00	89.51	359.69	9007.10	9723.36	1197.49	9796.74	0.00		
	19100.00	89.51	359.69	9007.96	9823.36	1196.95	9895.97	0.00		
	19200.00	89.51	359.69	9008.81	9923.35	1196.41	9995.20	0.00		
	19260.19	89.51	359.69	9009.33	9983.54	1196.08	10054.93	0.00	exit	
	19300.00	89.51	359.69	9009.67	10023.35	1195.86	10094.43	0.00		
	19340.19	89.51	359.69	9010.00	10063.53	1195.70	10134.32	0.00	BHL	

levon		County: Wellbore:	Eddy		om 525H				Geodetic System: US State Plane 1983 Datum: North American Datum 1927 Ellipsoid: Clarke 1866 Zone: 3001 - NM East (NAD83)
-	MD (ft)	INC (°)	AZI (°)	TVD (ft)	NS (ft)	EW (ft)	VS (ft)	DLS (°/100ft)	Comment

ſ			County:		State Fed Co	om 525H				Datum:	US State Plane 198 North American Da Clarke 1866	
		MD	Design: INC	Permit Plan AZI		NS (ft)	EW (ft)	VS (ft)	DLS (°/100ft)		3001 - NM East (N	AD83)
	-	(ft)	(°)	(°)	(ii)	(1)	(1)	(11)	(710011)			-
L												



A multibowl wellhead may be used. The BOP will be tested per Onshore Order #2 after installation on the surface casing which will cover testing requirements for a maximum of 30 days. If any seal subject to test pressure is broken the system must be tested.

Devon proposes using a multi-bowl wellhead assembly. This assembly will only be tested when installed on the surface casing. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be 5000 (5M) psi.

- Wellhead will be installed by wellhead representatives.
- If the welding is performed by a third party, the wellhead representative will monitor the temperature to verify that it does not exceed the maximum temperature of the seal.
- Wellhead representative will install the test plug for the initial BOP test.
- Wellhead company will install a solid steel body pack-off to completely isolate the lower head after cementing intermediate casing. After installation of the pack-off, the pack-off and the lower flange will be tested to 5M, as shown on the attached schematic. Everything above the pack-off will not have been altered whatsoever from the initial nipple up. Therefore the BOP components will not be retested at that time.
- If the cement does not circulate and one inch operations would have been possible with a standard wellhead, the well head will be cut and top out operations will be conducted.
- Devon will pressure test all seals above and below the mandrel (but still above the casing) to full working pressure rating.
- Devon will test the casing to 0.22 psi/ft or 1500 psi, whichever is greater, as per Onshore Order #2.

After running the surface casing, a 13-5/8" BOP/BOPE system with a minimum rating of 5M will be installed on the wellhead system and will undergo a 250 psi low pressure test followed by a 5,000 psi high pressure test. The 5,000 psi high and 250 psi low test will cover testing requirements a maximum of 30 days, as per Onshore Order #2. If the well is not complete within 30 days of this BOP test, another full BOP test will be conducted, as per Onshore Order #2.

After running the intermediate casing with a mandrel hanger, the 13-5/8" BOP/BOPE system with a minimum rating of 5M will already be installed on the wellhead.

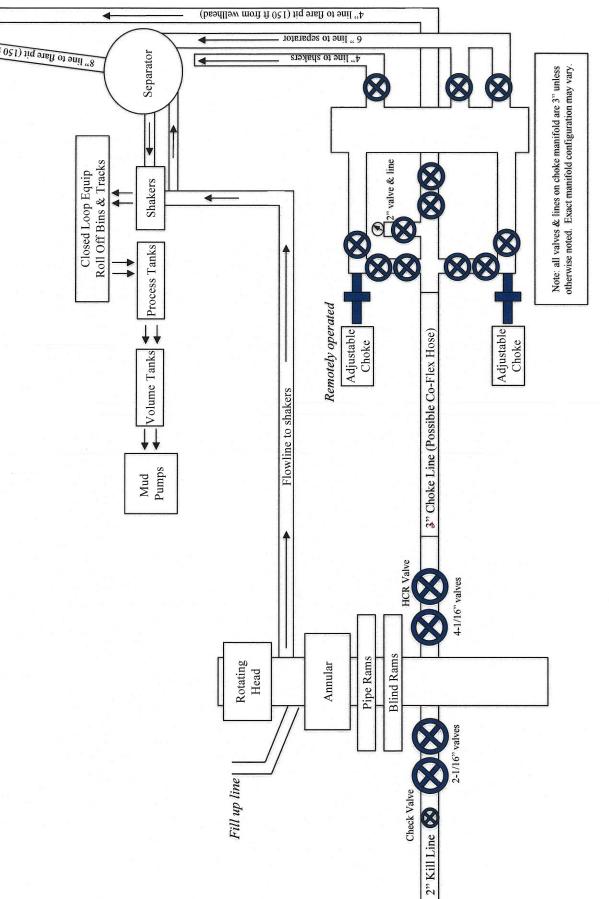
The pipe rams will be operated and checked each 24 hour period and each time the drill pipe is out of the hole. These tests will be logged in the daily driller's log. A 2" kill line and 3" choke line will be incorporated into the drilling spool below the ram BOP. In addition to the rams and annular preventer, additional BOP accessories include a kelly cock, floor safety valve, choke lines, and choke manifold rated at 5,000 psi WP.

Devon's proposed wellhead manufactures will be FMC Technologies, Cactus Wellhead, or Cameron.

Received by OCD: 8/3/2023 8:23:42 AM

13-5/8" 5 M BOPE & Closed Loop

Equipment Schematic



Casing Assumptions and Load Cases

Surface

All casing design assumptions were ran in Stress Check to determine safety factor which meet or exceed both Devon Energy and BLM minimum requirements. All casing strings will be filled while running in hole in order to not exceed collapse rating of the pipe.

Surface Casing Burst Design							
Load Case	External Pressure	Internal Pressure					
Pressure Test	Formation Pore Pressure	Max mud weight of next hole-					
		section plus Test psi					
Drill Ahead	Formation Pore Pressure	Max mud weight of next hole					
		section					
Displace to Gas	Formation Pore Pressure	Dry gas from next casing point					

Surface Casing Collapse Design							
Load Case	External Pressure	Internal Pressure					
Full Evacuation	Water gradient in cement, mud above TOC	None					
Cementing	Wet cement weight	Water (8.33ppg)					

Surface Casing Tension Design					
Load Case	Assumptions				
Overpull	100kips				
Runing in hole	3 ft/s				
Service Loads	N/A				

Casing Assumptions and Load Cases

Intermediate

All casing design assumptions were ran in Stress Check to determine safety factor which meet or exceed both Devon Energy and BLM minimum requirements. All casing strings will be filled while running in hole in order to not exceed collapse rating of the pipe.

Intermediate Casing Burst Design			
Load Case	External Pressure	Internal Pressure	
Pressure Test	Formation Pore Pressure	Max mud weight of next hole-	
		section plus Test psi	
Drill Ahead	Formation Pore Pressure	Max mud weight of next hole	
		section	
Fracture @ Shoe	Formation Pore Pressure	Dry gas	

Intermediate Casing Collapse Design			
Load Case	External Pressure	Internal Pressure	
Full Evacuation	Water gradient in cement, mud	None	
	above TOC		
Cementing	Wet cement weight	Water (8.33ppg)	

Intermediate Casing Tension Design		
Load Case	Assumptions	
Overpull	100kips	
Runing in hole	2 ft/s	
Service Loads	N/A	

Casing Assumptions and Load Cases

Production

All casing design assumptions were ran in Stress Check to determine safety factor which meet or exceed both Devon Energy and BLM minimum requirements. All casing strings will be filled while running in hole in order to not exceed collapse rating of the pipe.

Production Casing Burst Design			
Load Case	External Pressure	Internal Pressure	
Pressure Test	Formation Pore Pressure	Fluid in hole (water or produced	
		water) + test psi	
Tubing Leak	Formation Pore Pressure	Packer @ KOP, leak below	
		surface 8.6 ppg packer fluid	
Stimulation	Formation Pore Pressure	Max frac pressure with heaviest	
		frac fluid	

Production Casing Collapse Design			
Load Case	External Pressure	Internal Pressure	
Full Evacuation	Water gradient in cement, mud above TOC.	None	
Cementing	Wet cement weight	Water (8.33ppg)	

Production Casing Tension Design		
Load Case	Assumptions	
Overpull	100kips	
Runing in hole	2 ft/s	
Service Loads	N/A	

PECOS DISTRICT DRILLING CONDITIONS OF APPROVAL

OPERATOR'S NAME:	Devon Energy Production Company LP	
LEASE NO.:	NMNM0544986	
LOCATION:	Section 36, T.23 S., R.31 E., NMPM	
COUNTY:	Eddy County, New Mexico	
WELL NAME & NO.:	Todd 36-25 State Fed Com 522H	
SURFACE HOLE FOOTAGE:	330'/S & 455'/W	
BOTTOM HOLE FOOTAGE	20'/N & 1210'/W	
ATS/API ID:	ATS-22-495	
APD ID:	N/A	
Sundry ID:	N/A	
WELL NAME & NO.:	Todd 36-25 State Fed Com 523H	
SURFACE HOLE FOOTAGE:	480'/S & 1659'/W	
BOTTOM HOLE FOOTAGE	20'/N & 1650'/W	
ATS/API ID:	ATS-22-496	
APD ID:	N/A	
Sundry ID:	N/A	
	+	
WELL NAME & NO.:	Todd 36-25 State Fed Com 524H	
SURFACE HOLE FOOTAGE:	480'/S & 1689'/W	
BOTTOM HOLE FOOTAGE	20'/N & 2090'/W	
ATS/API ID:	ATS-22-497	
APD ID:	N/A	
Sundry ID:	N/A	
¥		
WELL NAME & NO.:	Todd 36-25 State Fed Com 525H	
SURFACE HOLE FOOTAGE:	480'/S & 1719'/W	
BOTTOM HOLE FOOTAGE	20'/N & 2310'/E	
ATS/API ID:	ATS-22-498	
APD ID:	N/A	
Sundry ID:	N/A	
WELL NAME & NO.:	Todd 36-25 State Fed Com 526H	
SURFACE HOLE FOOTAGE:	330'/S & 945'/E	
BOTTOM HOLE FOOTAGE	20'/N & 1650'/E	
ATS/API ID:	ATS-22-499	
APD ID:	N/A	
Sundry ID:	N/A	
	1	

WELL NAME & NO.:	Todd 36-25 State Fed Com 527H
SURFACE HOLE FOOTAGE:	330'/S & 915'/E
BOTTOM HOLE FOOTAGE	20'/N & 990'/E
ATS/API ID:	ATS-22-500
APD ID:	N/A
Sundry ID:	N/A

WELL NAME & NO.:	Todd 36-25 State Fed Com 528H
SURFACE HOLE FOOTAGE:	330'/S & 885'/E
BOTTOM HOLE FOOTAGE	20'/N & 330'/E
ATS/API ID:	ATS-22-501
APD ID:	N/A
Sundry ID:	N/A

COA

H2S	• Yes	🖸 No	
Potash	None	Secretary	🖸 R-111-P
Cave/Karst Potential	🖸 Low	🖸 Medium	🖸 High
Cave/Karst Potential	Critical		
Variance	None	Flex Hose	Other
Wellhead	Conventional	Multibowl	• Both
Wellhead Variance	Diverter		
Other	4 String	Capitan Reef	WIPP
Other	✓ Fluid Filled	🗌 Pilot Hole	□ Open Annulus
Cementing	Contingency	EchoMeter	Primary Cement
	Cement Squeeze		Squeeze
Special Requirements	U Water Disposal	COM	🗌 Unit
Special Requirements	Break Testing	□ Offline	Batch Sundry
Variance		Cementing	

A. HYDROGEN SULFIDE

A Hydrogen Sulfide (H2S) Drilling Plan shall be activated 500 feet prior to drilling into the **Delaware** formation. As a result, the Hydrogen Sulfide area must meet Onshore Order 6 requirements, which includes equipment and personnel/public protection items. If Hydrogen Sulfide is encountered, please provide measured values and formations to the BLM.

B. CASING

 The 13-3/8 inch surface casing shall be set at approximately 848 feet (a minimum of 70 feet (Eddy County) into the Rustler Anhydrite, above the salt, and below usable fresh water) and cemented to the surface.

- a. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with surface log readout will be used or a cement bond log shall be run to verify the top of the cement. Temperature survey will be run a minimum of six hours after pumping cement and ideally between 8-10 hours after completing the cement job.
- b. Wait on cement (WOC) time for a primary cement job will be a minimum of <u>8</u> <u>hours</u> or 500 pounds compressive strength, whichever is greater. (This is to include the lead cement)
- c. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compressive strength, whichever is greater.
- d. If cement falls back, remedial cementing will be done prior to drilling out that string.

Intermediate casing must be kept fluid filled to meet BLM minimum collapse requirement.

- 2. The minimum required fill of cement behind the 9-5/8 inch intermediate casing is:
 - Cement to surface. If cement does not circulate see B.1.a, c-d above. Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to cave/karst or potash. Cement excess is less than 25%, more cement is required if washout occurs. Adjust cement volume and excess based on a fluid caliper or similar method that reflects the as-drilled size of the wellbore.

Operator has proposed to pump down 13-3/8" X 9-5/8" annulus after primary cementing stage. <u>Operator must run a CBL from TD of the 9-5/8" casing to surface.</u> <u>Submit results to the BLM.</u>

If cement does not tie-back into the previous casing shoe, a third stage remediation BH may be performed. The appropriate BLM office shall be notified.

- 3. The minimum required fill of cement behind the 5-1/2 inch production casing is:
 - Cement should tie-back at least 200 feet into previous casing string. Operator shall provide method of verification.
 Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to cave/karst or potash. Cement excess is less than 25%, more cement is required if washout occurs. Adjust cement volume and excess based on a fluid caliper or similar method that reflects the as-drilled size of the wellbore.

C. PRESSURE CONTROL

1. Variance approved to use flex line from BOP to choke manifold. Manufacturer's specification to be readily available. No external damage to flex line. Flex line to be installed as straight as possible (no hard bends).'

2.

Option 1:

- a. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be **3000 (3M)** psi.
- b. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the **9-5/8** inch intermediate casing shoe shall be **5000 (5M)** psi.

Option 2:

Operator has proposed a multi-bowl wellhead assembly. This assembly will only be tested when installed on the **13-3/8** inch surface casing. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be **5000 (5M)** psi.

- a. Wellhead shall be installed by manufacturer's representatives, submit documentation with subsequent sundry.
- b. If the welding is performed by a third party, the manufacturer's representative shall monitor the temperature to verify that it does not exceed the maximum temperature of the seal.
- c. Manufacturer representative shall install the test plug for the initial BOP test.
- d. If the cement does not circulate and one inch operations would have been possible with a standard wellhead, the well head shall be cut off, cementing operations performed and another wellhead installed.
- e. Whenever any seal subject to test pressure is broken, all the tests in OOGO2.III.A.2.i must be followed.

D. SPECIAL REQUIREMENT (S)

Communitization Agreement

• The operator will submit a Communitization Agreement to the Santa Fe Office, 301 Dinosaur Trail Santa Fe, New Mexico 87508, at least 90 days before the anticipated date of first production from a well subject to a spacing order issued by the New Mexico Oil Conservation Division. The Communitization Agreement will include the signatures of all working interest owners in all Federal and Indian leases subject to the Communitization Agreement (i.e., operating rights owners and lessees of record),

Page 4 of 10

or certification that the operator has obtained the written signatures of all such owners and will make those signatures available to the BLM immediately upon request.

- The operator will submit an as-drilled survey well plat of the well completion, but are not limited to, those specified in Onshore Order 1 and 2.
- If the operator does not comply with this condition of approval, the BLM may take enforcement actions that include, but are not limited to, those specified in 43 CFR 3163.1.
- In addition, the well sign shall include the surface and bottom hole lease numbers. <u>When the Communitization Agreement number is known, it shall also be on the sign.</u>

GENERAL REQUIREMENTS

The BLM is to be notified in advance for a representative to witness:

- a. Spudding well (minimum of 24 hours)
- b. Setting and/or Cementing of all casing strings (minimum of 4 hours)
- c. BOPE tests (minimum of 4 hours)
 - Eddy County Call the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220, (575) 361-2822
 - Lea County
 Call the Hobbs Field Station, 414 West Taylor, Hobbs NM 88240, (575)
 689-5981
- 1. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval.
 - a. In the event the operator has proposed to drill multiple wells utilizing a skid/walking rig. Operator shall secure the wellbore on the current well, after installing and testing the wellhead, by installing a blind flange of like pressure rating to the wellhead and a pressure gauge that can be monitored while drilling is performed on the other well(s).
 - b. When the operator proposes to set surface casing with Spudder Rig
 - Notify the BLM when moving in and removing the Spudder Rig.
 - Notify the BLM when moving in the 2nd Rig. Rig to be moved in within 90 days of notification that Spudder Rig has left the location.
 - BOP/BOPE test to be conducted per Onshore Oil and Gas Order No. 2 as soon as 2nd Rig is rigged up on well.
- 2. Floor controls are required for 3M or Greater systems. These controls will be on the rig floor, unobstructed, readily accessible to the driller and will be operational at all times during drilling and/or completion activities. Rig floor is defined as the area immediately around the rotary table; the area immediately above the substructure on which the draw works are located, this does not include the dog house or stairway area.
- 3. The record of the drilling rate along with the GR/N well log run from TD to surface (horizontal well vertical portion of hole) shall be submitted to the BLM office as well as all other logs run on the borehole 30 days from completion. If available, a digital copy of the logs is to be submitted in addition to the paper copies. The Rustler top and top and bottom of Salt are to be recorded on the Completion Report.

A. CASING

- 1. Changes to the approved APD casing program need prior approval if the items substituted are of lesser grade or different casing size or are Non-API. The Operator can exchange the components of the proposal with that of superior strength (i.e. changing from J-55 to N-80, or from 36# to 40#). Changes to the approved cement program need prior approval if the altered cement plan has less volume or strength or if the changes are substantial (i.e. Multistage tool, ECP, etc.). The initial wellhead installed on the well will remain on the well with spools used as needed.
- <u>Wait on cement (WOC) for Potash Areas:</u> After cementing but before commencing any tests, the casing string shall stand cemented under pressure until both of the following conditions have been met: 1) cement reaches a minimum compressive strength of 500 psi for all cement blends, 2) until cement has been in place at least <u>24</u> <u>hours</u>. WOC time will be recorded in the driller's log. The casing intergrity test can be done (prior to the cement setting up) immediately after bumping the plug.
- 3. <u>Wait on cement (WOC) for Water Basin:</u> After cementing but before commencing any tests, the casing string shall stand cemented under pressure until both of the following conditions have been met: 1) cement reaches a minimum compressive strength of 500 psi at the shoe, 2) until cement has been in place at least <u>8 hours</u>. WOC time will be recorded in the driller's log. See individual casing strings for details regarding lead cement slurry requirements. The casing intergrity test can be done (prior to the cement setting up) immediately after bumping the plug.
- 4. Provide compressive strengths including hours to reach required 500 pounds compressive strength prior to cementing each casing string. Have well specific cement details onsite prior to pumping the cement for each casing string.
- 5. No pea gravel permitted for remedial or fall back remedial without prior authorization from the BLM engineer.
- 6. On that portion of any well approved for a 5M BOPE system or greater, a pressure integrity test of each casing shoe shall be performed. Formation at the shoe shall be tested to a minimum of the mud weight equivalent anticipated to control the formation pressure to the next casing depth or at total depth of the well. This test shall be performed before drilling more than 20 feet of new hole.
- 7. If hardband drill pipe is rotated inside casing, returns will be monitored for metal. If metal is found in samples, drill pipe will be pulled and rubber protectors which have a larger diameter than the tool joints of the drill pipe will be installed prior to continuing drilling operations.
- 8. Whenever a casing string is cemented in the R-111-P potash area, the NMOCD requirements shall be followed.

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B. PRESSURE CONTROL

- 1. All blowout preventer (BOP) and related equipment (BOPE) shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2 and API RP 53 Sec. 17.
- 2. If a variance is approved for a flexible hose to be installed from the BOP to the choke manifold, the following requirements apply: The flex line must meet the requirements of API 16C. Check condition of flexible line from BOP to choke manifold, replace if exterior is damaged or if line fails test. Line to be as straight as possible with no hard bends and is to be anchored according to Manufacturer's requirements. The flexible hose can be exchanged with a hose of equal size and equal or greater pressure rating. Anchor requirements, specification sheet and hydrostatic pressure test certification matching the hose in service, to be onsite for review. These documents shall be posted in the company man's trailer and on the rig floor.
- 3. 5M or higher system requires an HCR valve, remote kill line and annular to match. The remote kill line is to be installed prior to testing the system and tested to stack pressure.
- 4. If the operator has proposed a multi-bowl wellhead assembly in the APD. The following requirements must be met:
 - a. Wellhead shall be installed by manufacturer's representatives, submit documentation with subsequent sundry.
 - b. If the welding is performed by a third party, the manufacturer's representative shall monitor the temperature to verify that it does not exceed the maximum temperature of the seal.
 - c. Manufacturer representative shall install the test plug for the initial BOP test.
 - d. Whenever any seal subject to test pressure is broken, all the tests in OOGO2.III.A.2.i must be followed.
 - e. If the cement does not circulate and one inch operations would have been possible with a standard wellhead, the well head shall be cut off, cementing operations performed and another wellhead installed.
- 5. The appropriate BLM office shall be notified a minimum of 4 hours in advance for a representative to witness the tests.
 - a. In a water basin, for all casing strings utilizing slips, these are to be set as soon as the crew and rig are ready and any fallback cement remediation has been done. The casing cut-off and BOP installation can be initiated four hours after installing the slips, which will be approximately six hours after bumping the plug. For those casing strings not using slips, the minimum wait time before cut-off is eight hours after bumping the plug. BOP/BOPE testing can begin

after cut-off or once cement reaches 500 psi compressive strength (including lead cement), whichever is greater. However, if the float does not hold, cut-off cannot be initiated until cement reaches 500 psi compressive strength (including lead when specified).

- b. In potash areas, for all casing strings utilizing slips, these are to be set as soon as the crew and rig are ready and any fallback cement remediation has been done. For all casing strings, casing cut-off and BOP installation can be initiated at twelve hours after bumping the cement plug. The BOPE test can be initiated after bumping the cement plug with the casing valve open. (only applies to single stage cement jobs, prior to the cement setting up.)
- c. The tests shall be done by an independent service company utilizing a test plug not a cup or J-packer and can be initiated immediately with the casing valve open. The operator also has the option of utilizing an independent tester to test without a plug (i.e. against the casing) pursuant to Onshore Order 2 with the pressure not to exceed 70% of the burst rating for the casing. Any test against the casing must meet the WOC time for water basin (8 hours) or potash (24 hours) or 500 pounds compressive strength, whichever is greater, prior to initiating the test (see casing segment as lead cement may be critical item).
- d. The test shall be run on a 5000 psi chart for a 2-3M BOP/BOP, on a 10000 psi chart for a 5M BOP/BOPE and on a 15000 psi chart for a 10M BOP/BOPE. If a linear chart is used, it shall be a one hour chart. A circular chart shall have a maximum 2 hour clock. If a twelve hour or twenty-four hour chart is used, tester shall make a notation that it is run with a two hour clock.
- e. The results of the test shall be reported to the appropriate BLM office.
- f. All tests are required to be recorded on a calibrated test chart. A copy of the BOP/BOPE test chart and a copy of independent service company test will be submitted to the appropriate BLM office.
- g. The BOP/BOPE test shall include a low pressure test from 250 to 300 psi. The test will be held for a minimum of 10 minutes if test is done with a test plug and 30 minutes without a test plug. This test shall be performed prior to the test at full stack pressure.
- h. BOP/BOPE must be tested by an independent service company within 500 feet of the top of the Wolfcamp formation if the time between the setting of the intermediate casing and reaching this depth exceeds 20 days. This test does not exclude the test prior to drilling out the casing shoe as per Onshore Order No. 2.
- C. DRILLING MUD

Mud system monitoring equipment, with derrick floor indicators and visual and audio alarms, shall be operating before drilling into the Wolfcamp formation, and shall be used until production casing is run and cemented.

D. WASTE MATERIAL AND FLUIDS

All waste (i.e. drilling fluids, trash, salts, chemicals, sewage, gray water, etc.) created as a result of drilling operations and completion operations shall be safely contained and disposed of properly at a waste disposal facility. No waste material or fluid shall be disposed of on the well location or surrounding area.

Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.

LVO 1/26/2023

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Devon Energy Center 333 West Sheridan Avenue Oklahoma City, Oklahoma 73102-5015

Hydrogen Sulfide (H₂S) Contingency Plan

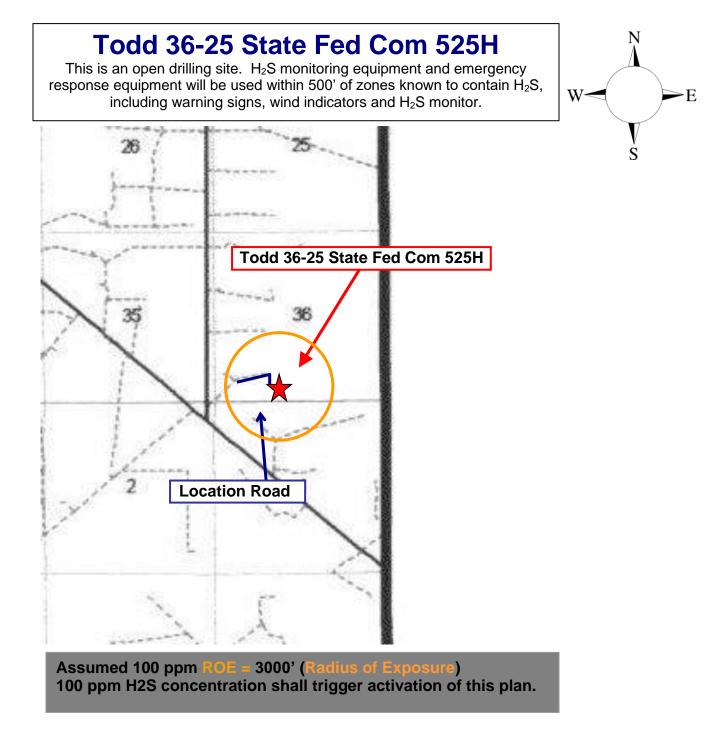
For

Todd 36-25 State Fed Com 525H

Sec-36 T-23S R-31E 480 FSL & 1719' FWL LAT. = 32.254988 N (NAD83) LONG = 103.734493 W

Eddy County NM

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Escape

Crews shall escape upwind of escaping gas in the event of an emergency release of gas. Escape can be facilitated from the location entrance road. Crews should then block the entrance to the location from the lease road so as not to allow anyone traversing into a hazardous area. The blockade should be at a safe distance outside of the ROE. <u>There are no homes or buildings in or near the ROE</u>.

Assumed 100 ppm ROE = 3000'

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100 ppm H₂S concentration shall trigger activation of this plan.

Emergency Procedures

In the event of a release of gas containing H₂S, the first responder(s) must

- Isolate the area and prevent entry by other persons into the 100 ppm ROE.
- Evacuate any public places encompassed by the 100 ppm ROE.
- Be equipped with H₂S monitors and air packs in order to control the release.
- Use the "buddy system" to ensure no injuries occur during the response
- Take precautions to avoid personal injury during this operation.
- Contact operator and/or local officials to aid in operation. See list of phone numbers attached.
- Have received training in the
 - \circ Detection of H₂S, and
 - Measures for protection against the gas,
 - Equipment used for protection and emergency response.

Ignition of Gas Source

Should control of the well be considered lost and ignition considered, take care to protect against exposure to Sulfur Dioxide (SO₂). Intentional ignition must be coordinated with the NMOCD and local officials. Additionally the NM State Police may become involved. NM State Police shall be the Incident Command on scene of any major release. Take care to protect downwind whenever there is an ignition of the gas

Common	Chemical	Specific	Threshold	Hazardous Limit	Lethal
Name	Formula	Gravity	Limit		Concentration
Hydrogen Sulfide	H₂S	1.189 Air = 1	10 ppm	100 ppm/hr	600 ppm
Sulfur	SO ₂	2.21	2	N/A	1000 nnm
Dioxide	302	Air = 1	2 ppm		1000 ppm

Characteristics of H₂S and SO₂

Contacting Authorities

Devon Energy Corp. personnel must liaison with local and state agencies to ensure a proper response to a major release. Additionally, the OCD must be notified of the release as soon as possible but no later than 4 hours. Agencies will ask for information such as type and volume of release, wind direction, location of release, etc. Be prepared with all information available. The following call list of essential and potential responders has been prepared for use during a release. Devon Energy Corp. Company response must be in coordination with the State of New Mexico's 'Hazardous Materials Emergency Response Plan' (HMER)

Hydrogen Sulfide Drilling Operation Plan

I. HYDROGEN SULFIDE (H₂S) TRAINING

All personnel, whether regularly assigned, contracted, or employed on an unscheduled basis, will receive training from a qualified instructor in the following areas prior to commencing drilling operations on this well:

- 1. The hazards and characteristics of hydrogen sulfide (H₂S)
- 2. The proper use and maintenance of personal protective equipment and life support systems.
- 3. The proper use of H₂S detectors, alarms, warning systems, briefing areas, evacuation procedures, and prevailing winds.
- 4. The proper techniques for first aid and rescue procedures.

In addition, supervisory personnel will be trained in the following areas:

- 1. The effects of H₂S metal components. If high tensile tubulars are to be used, personnel will be trained in their special maintenance requirements.
- 2. Corrective action and shut-in procedures when drilling or reworking a well and blowout prevention and well control procedures.
- 3. The contents and requirements of the H₂S Drilling Operations Plan.

There will be weekly H_2S and well control drills for all personnel in each crew.

II. HYDROGEN SULFIDE TRAINING

Note: All H_2S safety equipment and systems will be installed, tested, and operational when drilling reaches a depth of 500 feet above, or three days prior to penetrating the first zone containing or reasonably expected to contain H_2S .

1. Well Control Equipment

- A. Flare line
- B. Choke manifold Remotely Operated
- C. Blind rams and pipe rams to accommodate all pipe sizes with properly sized closing unit
- D. Auxiliary equipment may include if applicable: annular preventer and rotating head.
- E. Mud/Gas Separator

2. Protective equipment for essential personnel:

30-minute SCBA units located at briefing areas, as indicated on well site diagram, with escape units available in the top doghouse. As it may be difficult to communicate audibly while wearing these units, hand signals shall be utilized.

Fire extinguishers are located at various locations around the rig. First Aid supplies are located in the top doghouse and the rig manger's office.

3. H₂S detection and monitoring equipment:

Portable H₂S monitors positioned on location for best coverage and response. These units have warning lights which activate when H₂S levels reach 10 ppm and audible sirens which activate at 15 ppm. Sensor locations:

- Bell nipple
- Possum Belly/Shale shaker
- Rig floor
- Choke manifold
- Cellar

4. Visual warning systems:

- A. Wind direction indicators as shown on well site diagram
- B. Caution/Danger signs shall be posted on roads providing direct access to locations. Signs will be painted a high visibility yellow with black lettering of sufficient size to be reasonable distance from the immediate location. Bilingual signs will be used when appropriate.

5. Mud program:

The mud program has been designed to minimize the volume of H₂S circulated to surface. Proper mud weight, safe drilling practices and the use of H₂S scavengers will minimize hazards when penetrating H₂S bearing zones.

6. Metallurgy:

All drill strings, casings, tubing, wellhead, blowout preventer, drilling spool, kill lines, choke manifold lines, and valves shall be H_2S trim.

All elastomers used for packing and seals shall be H₂S trim.

7. Communication:

- a. Company personnel have/use cellular telephones in the field.
- **b.** Land line (telephone) communications at Office

8. Well testing:

- a. Drill stem testing will be performed with a minimum number of personnel in the immediate vicinity, which are necessary to safety and adequately conduct the test. The drill stem testing will be conducted during daylight hours and formation fluids will not be flowed to the surface. All drill-stem-testing operations conducted in an H₂S environment will use the closed chamber method of testing.
- **b.** There will be no drill stem testing.

Devon Energy Corp. Company Call List

	ee/Company Contact Representative	Position	Phone Number	After Hours Number
	Fisher (North)	Drilling Manager	832-967-7912	
	debrand (South)	Drilling Manager	405-552-6514	
Rich Dow	ney	Drilling VP	405-228-2415	
Josh Harv	/ey	EHS Manger	405-228-2440	918-500-5536
_aura Wri	ight	EHS Supervisor	405-552-5334	832-969-8145
Robert Gl	over	EHS Professional	575-703-5712	575-703-5712
_ane Frar	nk	Lead EHS	580-579-7052	580-579-7052
Rickey Po		Lead EHS	903-720-8315	903-720-8315
Brock Vis	e	Lead EHS	918-413-3291	918-413-3291
Agency	/ Call List			
<u>_ea</u>	Hobbs			
County	Lea County Communic	cation Authority		397-926
<u>575)</u>	State Police			885-313
	City Police			397-926
	Sheriff's Office			396-361
	Ambulance	91		
	Fire Department	397-930		
	LEPC (Local Emergen	393-287		
	NMOCD	393-616		
	US Bureau of Land Ma	ffice Closed)	393-000	
Eddy	Carlsbad			
County	State Police			885-313
<u>(575)</u>	City Police	885-211		
	Sheriff's Office	887-755		
	Ambulance	91 885-312		
	Fire Department LEPC (Local Emergency Planning Committee)			887-379
		(575)-706-192		
	US Bureau of Land Ma	(575)-234-590		
	NM Emergency Response Commission (Santa Fe)			(505) 476-960
	24 HR			(505) 470-500
	National Emergency Response Center			(800) 424-880
	National Pollution Control Center: Direct			(703) 872-600
	For Oil Spills			(800) 280-711
			(000) 200-711	
	Emergency Services Wild Well Control			(281) 784-470
	Cudd Pressure Contro	l (91	5) 699-0139	(915) 563-335
	Halliburton	(• .	,	(575) 746-275
				(575) 746-356
	B. J. Services			(0/0//40-000

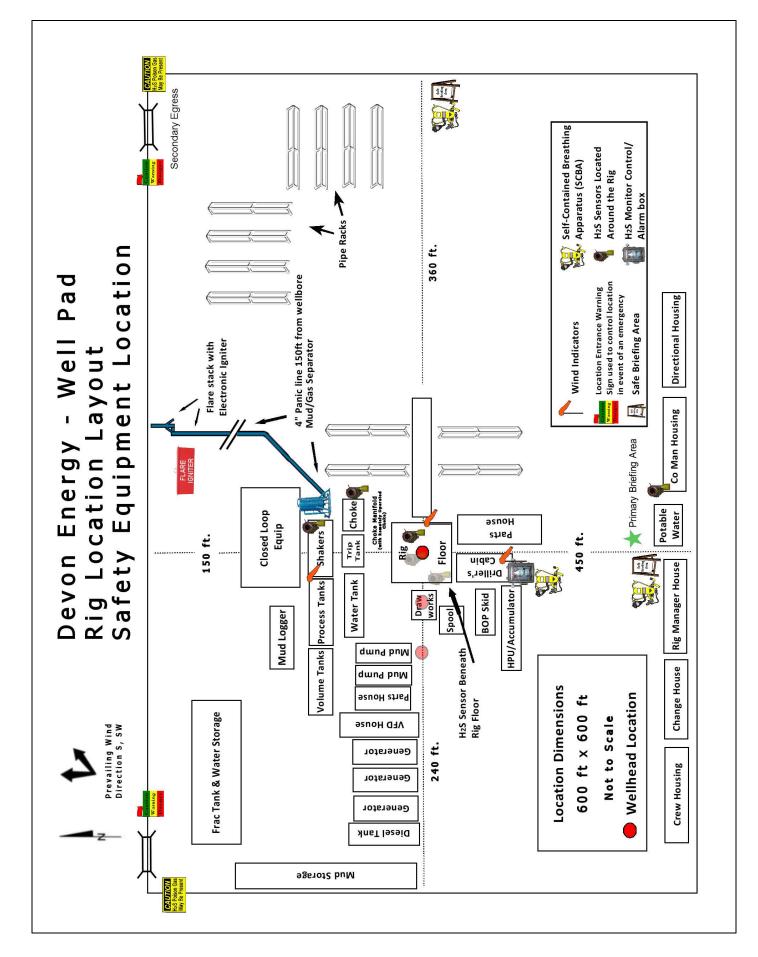
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Give	Native Air – Emergency Helicopter – Hobbs	(575) 347-9836
GPS	For Air Ambulance - Eddy County Dispatch	(575)-616-7155
position:	For Air Ambulance - Lea County (LCCA)	(575)-397-9265
	Poison Control (24/7)	(800) 222-1222
	Oil & Gas Pipeline 24 Hour Service	(800) 364-4366
	NOAA – Website - www.nhc.noaa.gov	
	National Pollution Control Center	202-795-6958
	NPCC – Oil Spills	800-280-7118
	BNSF Railroad Resource Operations	800-832-5452
	NM OSHA – Santa Fe	505-222-9595
	NM OSHA (Reporting)	877-610-6742
		505-476-8700



Revision September 2021

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District I 1625 N. French Dr., Hobbs, NM 88240 Phone:(575) 393-6161 Fax:(575) 393-0720 District II

811 S. First St., Artesia, NM 88210 Phone:(575) 748-1283 Fax:(575) 748-9720

District III

1000 Rio Brazos Rd., Aztec, NM 87410 Phone:(505) 334-6178 Fax:(505) 334-6170

District IV

1220 S. St Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3470 Fax: (505) 476-3462

State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505

CONDITIONS

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Action 247650

CONDITIONS

Operator:	OGRID:	
DEVON ENERGY PRODUCTION COMPANY, LP	6137	
333 West Sheridan Ave.	Action Number:	
Oklahoma City, OK 73102	247650	
	Action Type:	
	[C-101] BLM - Federal/Indian Land Lease (Form 3160-3)	

CONDITIONS

Jondinono		
Created By	Condition	Condition Date
ward.rikala	Notify OCD 24 hours prior to casing & cement	8/3/2023
ward.rikala	Will require a File As Drilled C-102 and a Directional Survey with the C-104	8/3/2023
ward.rikala	Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string	8/3/2023
ward.rikala	Cement is required to circulate on both surface and intermediate1 strings of casing	8/3/2023
ward.rikala	Oil base muds are not to be used until fresh water zones are cased and cemented providing isolation from the oil or diesel. This includes synthetic oils. Oil based mud, drilling fluids and solids must be contained in a steel closed loop system	8/3/2023